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Spotlight ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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FOREIGN MARKETS LOOM BIG FOR MIDWEST AGRICULTURE

The Upper Midwest Conference on Agricultural Export Trade, May 18 and 19, took a close look at its agricultural trade relations with the rest of the world, and found them to be surprisingly large with big opportunities for further growth.

The fact that foreign markets can become even bigger money earners for farm and city people of the area was brought out repeatedly. The Department of Agriculture reported that exports of farm products from the Upper Midwest have risen twice as fast as for the United States as a whole.

A Minnesota businessman—Earl B. Olson, President of Farmers Produce Co., Willmar—said that U.S. turkey exports of 58 million pounds last year not only brought important income to farms and cities but boosted the domestic market by as much as 1 cent a pound.

Secretary of Agriculture Orville L. Freeman, a principal conference speaker, announced that agricultural exports for the U.S. as a whole are headed toward another new record of about \$6.7 billion this fiscal year.



Market development was a main subject at the Upper Midwest Conference on Agricultural Export Trade. Shown (left to right) are David L. Hume, Assistant Administrator, FAS; C. Wendel Muench, Director of Market Promotion, Institute of American Poultry Industries; Glenn H. Pogeler, President Soybean Council of America; and Clarence D. Palmby, Executive Vice President, U.S. Feed Grains Council.

Governor Karl F. Rolvaag of Minnesota told the conference that the opening of the St. Lawrence Seaway has converted the Great Lakes into an "unsalted sea" and from its inland ports an increasingly large amount of farm commodities will move directly to foreign markets.

Governor Harold Hughes of Iowa stressed the opportunity for agricultural states to set up own export promotion activity, particularly by organizing trade missions to explore and promote in foreign markets.

The fact that today's big and growing exports of U.S. farm products require close cooperation between private industry and government was stressed by several speakers. A \$6.7 billion flow of agricultural exports is far too large to take place except through close collaboration, it was said.

Government work to lower world trade barriers is an important though often difficult first requirement of trade expansion, pointed out Dean Sherwood O. Berg of the University of Minnesota Institute of Agriculture. Liberalized trade, based on the well-known principle of comparative advantage, encourages both agricultural efficiency and consumer welfare, he said.

C. R. Eskildsen, Associate Administrator of USDA's Foreign Agricultural Service, listed five ways whereby the U.S. Government assist agricultural trade expansion:

- (1) Foreign market intelligence reports;
- (2) Lowering of trade barriers;
- (3) Export payments;
- (4) Market development; and
- (5) Export credit.

The largest potential market in the world lies dormant now in the less developed nations but can profitably be awakened, said Mrs. Dorothy Jacobson, Assistant Secretary of Agriculture for International Affairs.

"Paradoxical as it may seem," she said, "we must help the farmers of developing nations to improve their own

agriculture if we want to transform them into better cash customers for our own farm products. And thus we have built this principle into the Administration's new Food for Freedom program."

The conference was sponsored by the University of Minnesota and the USDA, in cooperation with the Minnesota World Trade Association. A large delegation of agricultural and business leaders from the upper midwest states of Minnesota, Iowa, Wisconsin, and North and South Dakota attended.

ATTACHE CONFERENCE HELD IN GUATEMALA

Market development was an important topic in discussions at the May 11-17 Guatemala attache conference.

The participants agreed that the promotion of U.S. wheat, breeding cattle, tallow and feed grains deserved special attention in Latin America.

The Caribbean area, with its limited potential for agricultural production, constitutes an expanding market for poultry, feed grains, breeding cattle, hatching eggs and grocery shelf items.

A number of high-income, "spot-markets" in Latin America, particularly in the Caribbean, deserve more attention, conference members decided.

Fifteen attaches from Latin America attended. The FAS/Washington delegation was headed by Administrator Ray Ioanes who chaired the conference.

Ambassador John G. Mein and the Guatemala Vice Minister of Agriculture spoke at the opening session. Congressmen W. R. Poage, Texas; Ralph Harvey, Indiana; and Eligio de la Garza, Texas were among the conference participants.

MARKETING PLANS

As of June 1, Trade Projects Division had received and reviewed a total of 76 cooperator marketing plans for fiscal year 1967. This represents about 90 percent of the plans which were due May 15.

Plans received to date shown a decided improvement over those submitted for earlier years and cooperators are to be commended for their efforts to improve the planning phases of their programs.

CONTAINERIZED SHIPMENTS

Experimental shipments of perishables in van containers are continuing and, if costs prove competitive, this may become the conventional method for exporting a number of U.S. agricultural products.

A 20,000 pound van shipment of U.S. chilled carcass beef arrived in Germany last month. The beef is now being test marketed in retail outlets of the Karstadt chain in Hamburg and Weisbaden. If consumer acceptance is good, two additional shipments will follow.

The recent experimental shipments of poultry to Germany are reported to have worked out most satisfactorily and additional shipments are planned, possibly including a shipment of turkeys to Italy.

The refrigerated container vans are loaded and sealed at the plant and are transported via truck and ship direct to the overseas customer or customs inspector, thus eliminating considerable handling and spoilage in transit.



R. A. Hunt (left), newly arrived in India as Country Director for Western Wheat Associates, accepts the 'office keys' from Dale Douglas, who has accepted a position with FAS in Washington, D.C. Mr. Hunt was Assistant Supervisor of Marketing for the Washington State Department of Agriculture.



Delbert Roberts, the new assistant to the president of the Soybean Council of America. Mr. Roberts was formerly with the Soybean Processing Division of the Farmers Grain Dealers Association of Iowa, and has had 16 years experience in the soybean processing industry.

PROMOTIONAL EXPENDITURES OF OTHER COUNTRIES

The following table is from a recent FAS report listing the 1964-65 export promotional expenditures for agricultural products by other countries. The expenditures are confined to those supported by government and commodity organizations. Promotion by private firms or importers is not included.

<u>Country</u>	<u>Promotional Expenditures</u>	<u>Value of Agric. Exports</u> million dollars	<u>% of Value of Agric. Exports</u>
Australia	20.0	2,182	.91
Canada	1.02	1,600	.06
Denmark	10.0	1,000	1.00
Israel	1.70	124	1.37
Netherlands	4.08	1,600	.25
New Zealand	11.08	953	1.16
South Africa	6.00	520	1.15
United States	13.36	6,100	.22

Containerized van shipments began with citrus about five years ago. Commercial van shipments of Florida orange juice are now being made on a regular basis, following a successful introduction at the 1965 ANUGA fair.

The research is under the overall direction of USDA's Agricultural Research Service and Foreign Agricultural Service. Shipping lines, market development cooperators, and trade firms are cooperating.

MODEL TO DETERMINE MARKET POTENTIALS

Points of consideration in determining the feasibility of selling U.S. agricultural products in a foreign market have been outlined in a study by Drs. James E. Kirby and John G.

McNeely, Extension economist and professor, Texas A & M University.

The study developed from a 1959 evaluation by representatives of three land-grant universities of the market development program in Italy. Dr. Kirby, who was a member of this FAS evaluation team, became so interested in market development that he wrote his thesis on the subject. The above study, "Agricultural Market Development Abroad," projects the findings of Dr. Kirby's Italian study and formulates a framework whereby a private firm or commodity organization can determine, prior to formally establishing a market development program, the probability of success.

Copies of the study are being mailed to cooperators and attaches.



Frank C. Elliott is retiring, June 30, from his work as European Representative in Brussels for the National Canners Association. Frank has served 54 years in the canning industry, the past 11 years of which were devoted to breaking down foreign trade barriers and helping to develop the market for U.S. canned foods in Europe. The NCA office in Brussels is being closed temporarily and all of its international trade activities are being handled out of the NCA Washington office.

MANCHESTER FOOD EXHIBIT

British consumers and food trade representatives were introduced to more than 400 brands of American foods from some 75 U.S. firms at the May 10-20 32nd Annual Grocers' Exhibit in Manchester. Many food stores and supermarkets in the area cooperated

with in-store promotions of the American foods.

One of the exhibit highlights was a display of fresh fruits and vegetables—strawberries, avocados, pineapples, melons, iceberg lettuce—that had been flown in from California, Florida, and Hawaii.

Other U.S. food products featured at the exhibit included poultry, rice, cranberries, citrus, peanuts and peanut products, raisins, and prunes.

The U.S. exhibit included a reception area and private conference rooms, reserved exclusively for trade use, thus giving American representatives of U.S. food companies and their British agents an opportunity to further trade contacts and work out business transactions with potential buyers

ARTICLE OF INTEREST

International Edition, PRINTERS' INK, May 31, 1966—The special edition reviews the operations of U.S. international advertising and lists the foreign branches, officers in charge, and billings of the 30 or more major U.S. advertising agencies now operating overseas.

HONOR AWARDS

Three FAS employees received USDA awards, May 17, for services in connection with the market development program.

A Distinguished Service Award went to Clarence R. Eskildsen, Associate Administrator, FAS, "For courageous and creative leadership in developing a U.S. farm export effort unmatched in the annals of American agriculture,

and for superb skill in harmonizing U.S. commercial export expansion and global food aid objectives.”

A Superior Service Award went to Joseph C. Dodson, presently agricultural attache in Buenos Aires, “For sustained superiority of performance in the service of U.S. agricultural interests abroad, in particular promoting the sale of U.S. agricultural commodities in Japan.”

A Superior Service Award also went to H. Reiter Webb, Chief, Analysis and Evaluation Branch, “For exceptional imagination, foresight, and leadership in planning and evaluating the cooperative foreign market development program.”

Reiter will soon be leaving FAS/Washington to enter the Foreign Service as assistant agricultural attache in London.

ATTACHE ASSIGNMENTS

Bill Hatch, is the new agricultural attache in Australia, replacing Bill Rodman, who is coming in for a Washington assignment.

William Bowser, Sugar and Tropical Products, is to be the attache in Quito, replacing Carlos Ortega, who is being assigned to Caracas.

Bill Schaal, International Trade Fairs, is to be the assistant attache at the U.S. Trade Center in Tokyo.

Al Persi, Operations Analysis, will be the new assistant attache at the U.S. Mission to the European Communities in Brussels, replacing Carmen Nohre, who is coming in for a Washington assignment.

Guy Haviland, Program Operations, is going out as an assistant attache in

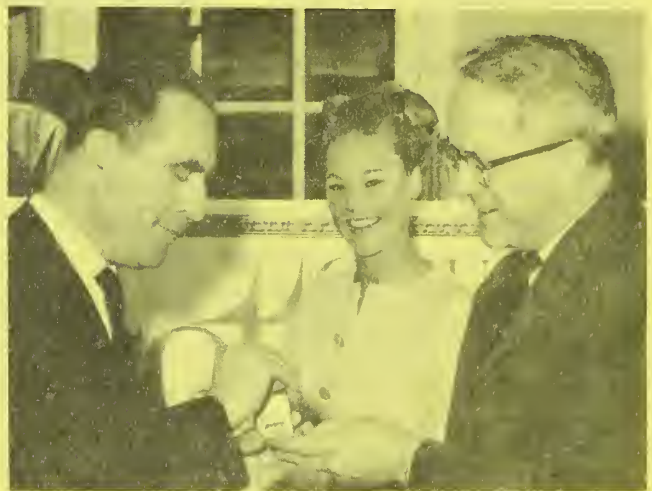
India, replacing Stan Phillips, who is coming in for a Washington assignment.

Frank Waddle, Foreign Market Information, is to be assistant attache in Manila, replacing Walter Stern, who is also coming for a Washington assignment.

John Bogumill, ERS, is going to the Congo as assistant attache.

Bob Johnson, Program Operations, is to be assistant attache in Rio, replacing Shackford Pitcher, who will be Agricultural Officer in Sao Paulo. Pitcher will replace Garth Thornburn, who is coming in for a Washington assignment.

Fred Lege, Livestock and Meats, will be on two months TDY in Athens as a temporary replacement for Don Motz, while he is on home leave.



Cotton Council International sponsored a Cotton Leisure Wear Fashion Show, April 11, at San Remo, Italy. Shown are three of the principals at the event: U.S. Maid of Cotton, Nancy Bernard, Dr. Giacomo Veglia, Prefect of Imperia (left, presenting a souvenir medal to U.S. Agricultural Attache, Bob Tetro.



HERE and THERE

The U. S.-Japan Trade Council is sponsoring an agricultural conference on trade with Japan, June 23, Washington, D.C. Secretary of Agriculture Orville L. Freeman, Japanese Ambassador Ryuji Takeuchi, Senator Frank Carlson, Governor Otto Kerner of Illinois, Assistant Secretary Dorothy H. Jacobson, and FAS Administrator Ray Ioanes will be among the speakers. Other highlights of the program will include appraisals of trade improvement prospects from the point of view of buyers and sellers.

Vegetable oil teams from Iran and Egypt will be arriving in the U.S. this month as guests of the Soybean Council. The teams are made up of industry and government leaders who would be playing a key role in expanded purchases of soybeans and soy products. Visits will be made to soybean producing areas and processing facilities and with U.S. trade leaders and government officials.

Distribution of FAS Form 202 (the project journal sheets used by cooperators) is being expedited by having supplies in the offices of the attaches in Japan, Spain, Italy, Germany, Switzerland, U.K., Belgium, India, and The Netherlands. Cooperator offices in other locations will continue to order and maintain supplies adequate for their own needs. The forms can be ordered directly from: Property, General Supply and Space Section, Management Services Division, Foreign Agricultural Service, USDA Washington, D.C. 20250.

Wheat Associates in Japan is starting three new projects: (1) A promotion for usage of new noodle flour blends made from higher percentages of U.S. wheat. Two-day seminars will be conducted in 32 Japanese cities. An estimated 10,000 persons will participate in the programs; (2) Western-type cake and pastry promotion in department stores in eight cities with emphasis on demonstrations, sampling and spot sales; and (3) cracker production-management-marketing seminars to be held in Japan's seven major cities.

Russell Z. Eller, coordinator of the California/Arizona Citrus League market development program and director of advertising merchandising for Sunkist Growers, retired June 1. Russ served with Sunkist for 43 years and is widely recognized for his creative ability and contribution to the advancement of advertising. One of his sideline interests has been forest fire prevention for which he helped develop the "Smokey the Bear" campaign. Russ will be replaced by Robert B. Clark, who has served as Sunkist Assistant Advertising Manager since 1962.

Taiwan is becoming an expanding market for U.S. wheat and wheat products. Hundreds of Taiwan housewives are now learning how to prepare wheat flour foods in demonstration classes under the joint sponsorship of Wheat Associates and the Taiwan Wheat Products Promotion Council.

The Export Committees of the Pineapple Growers Association of Hawaii, Canners League of California, California Prune Advisory Board, Dried Fruit Association of California, Olive Advisory Board, Cling Peach Advisory Board, Dole Corporation, and California Packing Corporation met in California last month to discuss ways to increase the effectiveness of their foreign promotion activities.

U.S. dairy products will be displayed at the U.S. Trade Center in Beirut, Lebanon this month. The exhibit is being sponsored and manned by Dairy Society International through D. N. Khurody, DSI Regional Coordinator, in cooperation with the Commercial Counsel at the U.S. Embassy. The main emphasis will be on instant nonfat and instant chocolate drinks. U.S. print butter and specialty cheeses will also be exhibited.

Glenn Pogeler, President, Soybean Council, and Hugh Robinson, Director, FAS Fats and Oils Division, attended the International Oilseed Crushers Association Convention in Rome, June 1-3.

The I. S. Joseph Company, Minneapolis, was presented with a Presidential "E" Award by Secretary Freeman, May 18, for outstanding accomplishment in export expansion. The company made use of the pelleting technique with U.S. sugar beet pulp and other by-product livestock feeds to increase its export business eight-fold over the past three years.

Butcher shops in Italy will be displaying posters showing U.S. beef and pork cuts and turkey parts and how they can be used. The cooperators are working through Attache Bob Tetro in planning this educational activity. Bob writes, "while primarily a move in consumer education, we think it will also be helpful in improving the butchers' knowledge of kitchen economics."

Clarency Palmby and Allen Golberg, U.S. Feed Grains Council, were among the speakers at the June 7-10 Brussels convention of FEFAC (the federation of European animal feed industries).

A U.S. Beef Sampling Luncheon was held in Tokyo, April 18, under sponsorship of Japan Western Farms and the Office of the Agricultural Attache. The Director of the Japanese Livestock Bureau and a large delegation of chefs and meat dealers attended the luncheon. Prime U.S. Angus beef prepared in four different styles was served and the unanimous comment was "tastes good."